



# SPAIN'S MASS TRANSPORT INFRASTRUCTURE

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This report provides a general overview of the main transportation infrastructure in Spain, their current status and future development plans.

A European Union official document, the White Book of Transportation in Europe (2001), sets out guidelines for the development of transportation infrastructure in Europe. This document describes the need for development of infrastructure as a key to strengthening the economic cohesion of EU member states, reducing regional disparities, and improving communications with peripheral regions and workforce mobility.

Transportation infrastructure in Spain has experienced delay in comparison with other EU countries. In order to close the gap, the Spanish Ministry of Infrastructure started a Transportation Infrastructure Plan 2000-2007, which in many cases included projects extending to 2010, that was to be revised every four years. In 2004 the plan started to be reviewed, and a revised version for 2005-2020 came out in July 2005. Both versions include as their most significant projects improvements to the Madrid (Barajas) and Barcelona (El Prat) airports, construction of new high-speed train (AVE) lines, and improvement of the highway network.

The Transportation Infrastructure Plan involves an investment of \$304 billion to 2020. Of this, \$152 billion will go to railways; \$76.8 billion to the road network; \$28.7 billion to the general interest ports and \$20 billion to airports. The rest of the investment will concentrate in environmental protection for the entire infrastructure network.

Opportunities also might be available at a smaller scale in infrastructure projects managed by the regional governments, which in some cases are responsible for portions of the transportation network in their respective regions. Exporters should contact individual autonomous governments to investigate any such complementary, or independent projects.

## **RAILWAY**

The projected \$152 billion railway system investment for 2005-2020 represents 50% of the total Transportation Infrastructure Plan. Although the plan contemplates programs to improve urban and regional lines and the construction of some freight lines to better link ports and airports to the railway system, it concentrates on high-speed line projects.

The goal for high-speed trains is to reach 10,000 km by 2020. The soon-to-be-built lines will serve passenger and freight traffic but the ones already built or currently

under construction (Madrid-Sevilla, Madrid-Barcelona, Madrid-Levante and Madrid-Galicia) are designed for passenger traffic only.

Approximately 60% of the total investment required for these high-speed lines would be provided by public funds (including EU cohesion funds) and 40% by private-public agreements that will translate into a minimum 20% investment by private institutions.

During the period 2000-2007 the goal has been to start construction of several new high-speed corridors:

- Andalusia Corridor: connection through the Madrid-Córdoba-Sevilla line with Toledo, Malaga, Cadiz, Algeciras, Huelva and Jaen.
- NorthEast Corridor. Madrid-Zaragoza-Barcelona-French borderline currently under construction will also link Navarra, La Rioja, Soria, Teruel and Huesca.
- Levante and Mediterranean Axis: connection, through Castilla-La Mancha with Madrid, Valencia, Alicante, Castellon and Murcia, integrating the line of the Mediterranean line which will go from Tarragona to Almeria.
- North-NorthWest Corridor: The Madrid-Segovia-Valladolid line will expand to the Cantabrian coast and northwest to connect with Ourense, Vigo, Santiago, Coruña, Pontevedra, Oviedo, Gijon, Aviles, Burgos, Avila, Salamanca, Santander, Vitoria, Bilbao, San Sebastián and Irun.
- Extremadura corridor and Madrid-Lisbon connection through Caceres, Merida and Badajoz.

All these corridors should be finished by 2020.

Approximately \$4.4 billion will be invested for the improvement of grade crossings alone.

The operators of the railway network in Spain are:

National:

RENFE: the only nationwide operator. They handle 444 million passengers on suburban trains, 26 million on regional lines, 12 million passengers on long distance lines, and 6 million on the high-speed line.

<http://www.renfe.es>

Regional:

FEVE: operates in the North of Spain in Galicia, Castilla-Leon, Asturias, Cantabria, and the Basque country.

<http://www.feve.es>

FGC: Ferrocarrils de la Generalitat operates in the region of Catalonia

<http://www.fgc.es>

Serveis Ferroviaris de Mallorca, operates in the Balearic Islands  
<http://tib.caib.es>

In May 2003 the Government of Andalucia created a public entity, Ferrocarriles Andaluces -- <http://www.ferrocarrilesandaluces.com> -- to take care of some regional railway projects. Their main goals are at city level: they are in charge of developing city underground systems in Sevilla, Malaga and Granada. But they are also in charge of developing some portions of the Andalucia corridor, mainly in the "Eje Ferroviario Transversal" that links Sevilla-Granada-Almeria and the Ferrocarril Costa del Sol-Marbella, where work started in Spring 2005.

Most of these Internet sites provide information on public tenders available for suppliers.

## **ROAD NETWORK:**

Spain's road network has traditionally been influenced by Spain's varied topography combined with uneven distribution of the population and economic activities.

The structure is radial, having Madrid as the central point from which all main roads radiate.

Currently Spain has 163,457 kilometers of roads. These include turnpikes, national highways, regional highways, two lane roads and one-lane roads. Urban roads, agriculture and forestall tracks are not included in this figure.

The Government of Spain, through the Directorate General of Roads, manages 24,105 km of these roads. Regional governments manage 70,837 kilometers of Spain's road network; provincial governments manage 68,515 km of local roads.

The high capacity roads (turnpikes, highways and two lane roads) add up to 10,443 km:

Turnpikes	2,202 Km..
National and Regional Highways	6,847 km.
Two lane roads	1,394 km.

Approximately 73% of these high capacity roads belong to the Government of Spain, while 20% belong to regional governments and 7% to provincial governments.

The Government of Spain's roads include those that belong to an international traffic itinerary, provide access to a general interest port or airport, serve as access to main border towns and/or link different regions connecting cities with long distance traffic roads in Europe.

Private firms manage 1,743 km of the Government of Spain's roads under concession contracts. Post does not believe that additional concessions will be awarded to private turnpike management firms in the near future. The remaining 22,362 km are directly managed by the Directorate General of Roads of the Government of Spain. All the funds required for the maintenance and improvement of these 22,362 km come from the Central Government Budget, which incorporates European Union cohesion funds set aside for this purpose.

Total investment planned for the road network in the Infrastructure Plan is \$76.8 Billion (25% of the total).

The primary goal for the road network is to reach 15,000 km of turnpikes and highways by 2020. Construction will concentrate on connecting all the provincial capitals and main cities in Spain with high-speed roads, in order to facilitate a better territorial distribution and equilibrium, replacing the old radial system with a more networked system, with the aim that 90% of the population has a highway less than 50 Km away. Planned investment for this purpose is USD 39.2 Billion.

The main projects include:

- Finishing some sections in the existing highway network
- Upgrading the sections in high density traffic areas from road to highway
- Developing new routes to better connect some isolated areas and facilitate transeuropean connections.

Among the main projects are the Cuenca-Teruel link, the Ruta de la Plata (between Zamora and Andalucia), the Cantabria-La Meseta highway, the Villaviciosa-Oviedo-Salas section, the Sagunto-Aragón connection, improvements in the Mediterranean corridor, and sections in Castilla, Bailén-Motril, Ciudad Real, Castilla-La Mancha, Cordoba-Antequera, Duero. Traversal of Catalonia, Palencia-Benavente and Avila-Salamanca.

Maintenance of the current network and improvements in safety/security will receive 9% of the total Infrastructure Plan investment (\$ 27.6 Billion).

More information on the Spanish road structure and public tenders in connection to the road network is available from the Ministry of Public Works (Ministerio de Fomento), at

[http://www.fomento.es/MFOM/LANG\\_EN/DIRECCIONES\\_GENERALES/CARRETERAS](http://www.fomento.es/MFOM/LANG_EN/DIRECCIONES_GENERALES/CARRETERAS)

## **AIRPORTS:**

Airports face the difficult challenge of servicing a growing number of clients while looking for new sources of revenue to finance expansion and modernization projects.

In Spain, the aviation industry has changed dramatically in the last decade due to privatization of air carriers, liberalization of ground handling services and increased pressure to fight noise pollution.

AENA (Spanish Airport and Civil Aviation Authority) is the state-owned company that manages Spain's 47 commercial airports. More than 158 million passengers traveled through Spain's 47 airports in 2004. Of that traffic, almost 90 million were international travelers. During 2004, Spanish airports also moved nearly 600,000 tons of cargo. Most of this, nearly 300,000 tons, arrived through Madrid-Barajas

airport. Barcelona-El Prat ranked second with 77,000 tons, still far from its cargo center capacity of 500,000 tons a year.

AENA's operating revenues are \$2 billion. Its seven centers control almost 2.4 million flight movements and the annual investment rate in airport infrastructure averages \$1.6 billion for the last five years, and this figure is increasing. The agency is currently sponsoring a complete renovation of Madrid's Barajas International Airport, which started in 1997. This expansion will be in full operation by 2007, with a total cost of \$1.86 billion. By then the airport will have capacity to handle 70 million passengers a year and as many as 600,000 take-offs and landings. This current expansion will accommodate increasing air traffic until a new airport is completed in Campo Real in about 2016.

AENA is also undertaking major improvements and expansion at the Barcelona-El Prat airport, currently the second largest in Spain with traffic of 22 million passengers in 2004. The goal is to finish a new terminal and a new runway as well as cargo and service areas that aim to be able to process 40 million passengers by 2015.

Other projects currently undertaken include construction of new airports in Burgos, Monflorite-Alcala (Huesca), Logrono-Agoncillo and Albacete, renovation of Ceuta's heliport and adaptation of all national airports to European Union norms.

One of the most influential events in the Spanish aviation industry in recent years was the privatization of the former government owned flag carrier Iberia. Iberia consists of 200 planes that fly to more than 100 domestic and international destinations and accounts for 65 percent of the total air traffic in Spain. Liberalization of the airline happened in accordance with the European Union's "Open Skies" policy, adopted in April 1997. The privatization took place in three phases, controlled by the Society of Industrial Participation (SEPI), the government's controlling entity for public enterprises.

Despite the obvious need for airport expansion, many people who live in the surrounding areas are opposed to the construction because of the increased noise and air pollution in their neighborhoods. They demonstrated their displeasure by holding protest marches that occasionally made the evening news. So far, the Spanish government and airport officials insist the expansion will come with the proper environmental safeguards. These conditions will most likely lead to an increase in demand for environmental equipment including noise verification and control systems, water filtration, and fuel and waste disposal equipment.

Detailed information on Spanish airport infrastructure and traffic as well as bidding opportunities for infrastructure, service and equipment tenders is available from AENA's website at <http://www.aena.es>

## **PORTS:**

Spain has the longest coastline in the European Union -- 8,000 km. This, in addition to Spain's geographical position, has made Spain a strategic area for international maritime transportation. More than 22 million passengers use Spain's ports annually, and 51% of Spanish exports and 78% of imports are shipped via maritime transportation. Spanish ports handle 52% of Spain's foreign trade with the European Union countries and 96% of third country foreign trade traffic. In addition to its own

needs, Spain plays an important role in bunkering services for the ships traveling throughout the Mediterranean.

Direct and indirect activity at Spain's ports amount to 20% of the country's transportation sector GDP, or about 1.1% of the national GDP. The ports employ 35,000 people directly and 110,000 indirectly.

Spain's legislation for port management is based on Law 27/1992 as modified by Law 62/1997. It differentiates between regional ports (which are dependencies of the regional governments, along with fishing ports, sports marinas and small ports in general) and general interest ports. The latter have international trade activity and serve strategic industries for the country, generate significant business volume and/or are important for maritime traffic security for technical or geographic reasons. There are 44 general interest ports in Spain, managed by 27 Port Authorities and coordinated on the national level by Puertos del Estado. Puertos del Estado, an agency of Spain's Infrastructure Ministry, monitors the implementation of port policy as established by law. The port authorities are basically landlords that manage the land and the infrastructure of the general interest ports. However, private concessionaires provide the services, such as terminals, stevedoring, and warehousing.

Most Spanish ports are undertaking development projects, which include expansion of the terminal areas both for merchandise and for passenger traffic, improvements or construction of logistic activities zones to provide import/export clients with value added services, improvement or construction of connections with the road and railroad networks, and improvements in information technology systems and environmentally safe policies.

The following chart shows Port Authority investment plans for the years of 2004-2006 in thousands of dollars:

<b>Port Authority</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
A Coruña	6,565.28	8,847.94	6,232.15
Alicante	22,577.90	19,234.85	18,177.98
Almería	14,497.11	15,711.16	12,872.50
Avilés	10,853.77	9,691.33	10,091.32
Bahía de Algeciras	62,091.58	45,404.48	45,854.92
Bahía de Cádiz	14,900.62	15,651.34	17,211.43
Baleares	36,840.41	25,008.36	30,157.83
Barcelona	176,937.67	147,802.69	143,544.70
Bilbao	35,953.62	34,015.83	30,666.91
Cartagena	32,584.77	27,355.53	27,664.03
Castellón	20,295.25	22,258.85	23,017.78
Ceuta	5,630.40	7,036.83	5,280.85
Ferrol	38,775.86	28,196.57	6,226.28
Gijón	54,542.15	55,629.53	50,870.66
Huelva	28,456.98	26,634.14	18,316.40
Las Palmas	70,449.21	71,202.27	73,669.09
Málaga	13,406.22	5,032.17	7,723.03
Pontevedra	6,324.82	6,303.70	6,379.95

Melilla	3,074.43	4,178.23	2,890.27
Pasajes	7,530.66	4,480.86	5,126.01
Sta. Cruz de Tenerife	73,697.24	79,902.41	77,413.31
Santander	15,962.18	13,496.54	14,864.26
Sevilla	60,103.35	58,031.83	50,525.80
Tarragona	24,473.47	24,850.01	25,118.62
Valencia	96,207.11	84,519.34	100,414.67
Vigo	42,964.64	24,389.02	17,987.96
Villagarcia	6,422.18	6,394.02	4,358.87

The website for Puertos del Estado (<http://www.puertos.es>) includes a public tender information service that provides information on the calls for bids related to the state-run port system as well as to the documents that govern these calls. This service offers information about the current tenders and allows registered users to request information via e-mail whenever a new call with similar features is published. This website is available in English and the "Tenders" link can be sorted by contract type, award procedure, awarding entity and location.

### **Selling to the Government**

In Spain, all levels of administration – central government, autonomous communities, municipalities and companies that have over 50 percent government ownership – must follow certain procurement practices specified by Law 13/1995, Contracts With Public Administration, decreed in November 19, 1995.

The authorities that are allowed to contract or obligate funds on behalf of the Government are:

- Central Government: Ministers and State Secretaries
- Autonomous Communities: Legal representatives as established by the local government (usually a member of the cabinet)
- Municipalities: the Mayor or any other formally designated official
- State-owned companies: the Chief Executive Officer.

There are three different types of contractual proceedings: open, restricted and negotiated. In open proceedings, all opportunities are published and open to all interested companies. It is more difficult for foreign companies to participate in restricted proceedings. Between five and twenty companies are invited to present their documentation for evaluation and, upon completion of these procedures, qualified companies are invited to bid.

Negotiated proceedings are even stricter: no less than three companies are invited to bid and invitations are presented based on known qualifications, so documentation is not necessary. In certain situations, urgent or emergency proceedings may be necessary and will follow different rules. Government agencies can also pre-qualify companies and invite them for a restricted procurement.

All requests for proposals must be published in the 'Boletín Oficial del Estado' a publication similar to the Federal Register. Invitations to bid on government contracts are published at least 26 calendar days before the due date for bids. In

addition, all contracts above USD 4.5 million are published at least 40 calendar days before the due date for bids in the European Community Bulletin. Large contracts (approximately 12 million euros, USD 14.5 Million at exchange rates current at the date of this report) require approval by the Council of Ministers (Executive Cabinet).

The procedure to bid for a specific tender is relatively straightforward. All proposals are kept secret and must be accompanied by proper documentation. This information should include:

- Accreditation of the legal representation used by the company.
- Proof of economic and financial solvency and technical or professional competence plus a declaration that the company is not prohibited from contracting.
- Proof that a provisional guarantee, as required by the conditions of participation, has been deposited.
- For foreign companies, formal acceptance of the jurisdiction of the Spanish courts if necessary (Spanish legal representation is required).
- Certification of having met all fiscal and social security obligations.

Foreign companies wishing to contract with the Spanish government need to validate all certifications with the appropriate Spanish Consulate. It is possible for foreign companies to be involved in negotiated and restricted procedures if qualified. According to local law, all foreign firms must have a legal presence in Spain (formal agency agreement, distributor, branch office or subsidiary) before bidding on contracts. U.S. companies also have to accept the jurisdiction of Spanish courts in disputes that may result from a contract with the Spanish Government. In case of dispute, the Spanish national and local governments will only recognize Spanish courts.

U.S. companies interested in bidding for contracts with the public administration must contact Spain's Embassy in Washington DC to document their compliance:

Embassy of Spain  
Commercial Service  
2558 Massachusetts Ave. NW  
Washington, DC 20008-2865  
Tel: (202) 265-8600; Fax: (202) 265-9478  
<http://www.spainemb.org/>

### **Trade Promotion Opportunities**

Commercial Service Spain offers a range of products and services for U.S. companies seeking to do business in Spain. These services include up-to-date market information, assessment of a U.S. firm's product sales potential, identification of potential representatives, individual counseling, trade missions, and appointments with screened firms. For additional information on the products and services provided by CS Spain, we invite you to visit our website [www.buyusa.gov/spain/en](http://www.buyusa.gov/spain/en)

CS Spain provides U.S. companies with advance information about upcoming trade events and tenders, and offers a wide array of business services to assist U.S. companies interested in entering the Spanish market.

For more information on transportation infrastructure in Spain, please contact:

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